

The meeting of the Washington Citizens' Commission on Salaries for Elected Officials was convened in Olympia and brought to order by Sue Byington, Chair, at 9:10 AM, on January 27, 2005.

COMMISSION MEMBERS PRESENT

Ms. Alyea Mr. Baxter
Ms. Byington Mr. Carlisle
Mr. Doman Ms. Hanson
Ms. Hightower Mr. Holzmeister
Mr. Hopkins Ms. Hornbeck
Mr. Irwin Mr. Ryan
Dr. Schwartz Ms. Wicks

COMMISSIONERS EXCUSED

Mr. Blaney

COMMISSIONER UNEXCUSED

Mr. Boggs

STAFF PRESENT

Ms. Pinero
Ms. Sayer

2004 STUDY OF LEGISLATIVE AND JUDICIAL SALARIES BY FRED OWEN OF OWEN-POTTIER, HUMAN RESOURCE CONSULTANTS

Chair Byington stated that during the 2003 salary setting process, commissioners became increasingly concerned about the lack of objective data to assist them in making salary decisions for the positions in the Legislative and Judicial branches of government. The Commission requested and received funding from the Legislature to conduct a Willis Point Factor Review

Chair Byington introduced Fred Owen, Owen-Pottier Human Resource Consultants, who was selected to perform the work.

Mr. Owen gave a Power Point presentation of the project method, scope, and recommendations.

Communication – Briefing sessions with legislative leaders and staff and the Board for Judicial Administration and Office of the Administrator of the Courts were held to outline the process and expected outcomes and request nominees to be interviewed by the consultant.

Data Collection – Interviewees were selected by legislative and judicial leaders. The consultant interviewed 12 judges of the four levels and various locations and 12 legislators located across the state. The interviews focused on job requirements.

Job Evaluation – The Willis system systematically measures job requirements and key factors such as the knowledge, skills and abilities required by the job; the complexity, analysis, and decisions made; and accountability for results. The Willis system has been used to evaluate state positions since 1973.

External Comparisons – The consultant considered salaries of in-state and out-of-state public positions.

Analysis – For the position of legislator, the most comparable positions within state government are in the Exempt Management Service (EMS). For the judicial positions, the most comparable is the Federal bench.

The consultant suggested that the Commission consider:

Legislature: A cost-of-living adjustment for each year of the biennium plus 1% each year of the biennium to move toward the salaries of the Exempt Management Service band.

Judiciary: A cost-of-living adjustment for each year of the biennium plus 1% to 2% each year of the biennium to move toward the salaries of judges on the Federal bench.

Mr. Owen explained that for many years, the state of Washington has made comparisons with the compensation practices of eleven states which were recommended by the consulting firm of Arthur Young and Company as being comparable for compensation comparisons. These states compare in per capita state expenditures, per capita income, average hourly earnings, number of full-time state employees per capita, and per capita state expenditures for education. The original 11 comparable states were Arizona, California, Colorado, Illinois, Iowa, Michigan, Minnesota, Nevada, Oregon, Utah and Wisconsin. Idaho and Montana were later added to by the state Office of Financial Management because of their proximity to Washington.

Regarding the legislators' salaries and comparing them to the 13 comparable states Mr. Owen found that legislators were compared as full-time or part-time citizen Legislatures, whether they receive salaries, only per diem or in some cases, nothing.

- Ten states pay salaries to their Legislators and three are full-time: California, Illinois and Michigan.
- Three states pay only per diem: Nevada, Utah and Montana.

Mr. Owen calculated the full time states at 70%, based on the National Conference of State Legislatures (NCSL). Washington is among a group of states that are considered hybrid. This classifies them as a citizen based Legislature which is not full-time, but serves a substantial amount of time working. The NCSL estimates it at two-thirds of a full-time job. The NCSL also estimated Washington State at 70%. This matched Mr. Owen's research.

Questions:

- Mr. Hopkins questioned if time spent on the job was factored in.
- Mr. Owen - No. It is appropriate to recognize the standard of how much of a full-time job our Legislature is with regard to the evaluation, it is full value.
- Mr. Hopkins – Second question, it is confusing in regard to the EMS comparison chart, was there not a 70% application. And if not, why?
- Mr. Owen - The comparison was 70% of that EMS trend line.
- Mr. Hopkins – The EMS line on Chart A represents full salary?
- Mr. Owen - Yes
- Mr. Ryan – What type of point range did you come up for county commissioners, in comparison to Legislators?
- Mr. Owen – Some legislators have asked for that comparison. They see county commissioners as a legislative body. I have evaluated jobs in about seven counties in Washington. They tend to be in the 1000 – 1200 point range. The reason they differ from the Legislature, is that they also function as a three person chief executive body, running the administrative work, i.e. public works, human resource, purchasing, et cetera. They are also the chief budget body. Their accountability is substantially greater and singular. The Legislature acts as a body.
- Mr. Ryan – That would be in the range of the agency heads and state wide elected officials?
- Mr. Owen – Correct. It would also be in the range of the higher level Exempt Management Service (EMS).
- Ms. Byington – When you did your comparisons of the Federal Judiciary it said there was a 24% difference. Were you looking at range mid-point? Do the Federal judges have steps that they use, or are they also just a fixed salary amount that is adjusted periodically?
- Mr. Owen – I had a single rate and I assume it was a single rate for each of them. I do not know if they have a step increase.

TESTIMONY BY THE JUDICIARY

The judiciary was represented by Barbara Madsen, Supreme Court Justice; Elaine Houghton, Presiding Chief Judge, Court of Appeals; Leonard Costello, President of the Superior Court Judges' Association; Eileen Kato, President of the District and Municipal Judges' Association and Janet McLane, Administrator, Administrative Office of the Courts. Judge Madsen expressed the appreciation of the judiciary being able to testify before the Commission and stated that each judge would talk about their role in the judiciary. Comments by the judges were as follows:

- Very pleased that the Commission hired Mr. Owen to provide an independent and objective source for making decisions about salaries. This is difficult because on one hand an elected official is a public servant and on the other hand you want to attract highly qualified people.

- Commended the Commission for setting decent salaries for the judges.
- Wanted to be sure that the Commission was more aware of the complexities of their positions which are not just limited to the court room, i.e. specialty courts like domestic violence and drug courts, teaching in colleges, continuing education, writing policies.
- Judges have had to become experts in areas they didn't have to be in past years.
- All four judges spoke about the duties of their positions.
- The judges are comfortable with the 5% differential between the levels of the courts. The 5% recognizes the close working relationship between the levels of the courts.

Chief Justice Gerry Alexander was unable to attend the meeting but sent a letter expressing his support of Mr. Owen's recommendation to use the Federal bench as an appropriate benchmark for state judges. Justice Alexander will address the Commission at a later date.

There was discussion about the difference between the levels of courts and requirements for each level. Justice Madsen stated that since the Office of the Administrator of the Courts created a web site and TVW is in the court system, the public is able to make more informed decisions.

TESTIMONY BY THE LEGISLATIVE LEADERS

The Legislature was represented Senator Spanel and Representative Murray.

Representative Murray made the following points:

- We need to have a conversation about who we want to serve in the Legislature. We need to attract and attain diversity and a good mix of our citizens. For example, single mothers,
- Presently only the financially secure can serve.
- The time required to do the job is increasing; citizens demand more of their legislators.
- With the changing economy and job market, families need two incomes; this is also true for people in the Legislature.

Senator Spanel stated that:

- She has seen many changes in the Legislature over the years; particularly the number of women members.
- It is a problem for legislators who don't have a working spouse or where the legislator is the sole wage earner.
- Need a better mix of citizenry.
- Time involvement has dramatically increased over the years.

Mr. Irwin asked whether the state was at a full-time legislature.

- Senator Spanel responded that there has been informal discussion on that issue. Many legislators do not want to be in Olympia year round.
- Representative Murray stated that he does not want Washington to be a full-time Legislature but it needs to be looked at because of the combination of complex issues and citizen demand.

Mr. Carlisle inquired whether Senator Spanel and Representative Murray felt that Mr. Owen's recommendations were appropriate.

- Senator Spanel agreed that the leadership differentials were appropriate.
- Representative Murray stated that he was in favor of legislative increases.

Ms. Hightower noted that a newspaper article stated that Senator Sheldon has two jobs and that it was his decision on how to handle two jobs that are 70% to 100%.

- Representative Murray stated that he could not hold his former job as staff to a Seattle City Council member and serve as a legislator.

Mr. Hopkins asked about salary increase proposals for state employees and teachers.

- Senator Spanel Spanel stated the COLAs were long overdue and important, a big issue for the Legislature to discuss.
- Representative Murray stated that salary increases were needed and he was hopeful the Legislature would act to do so.

Mr. Ryan asked what Senator Spanel and Representative Murray recommends the Commission should do for legislator salaries for the next two years.

- Representative Murray offered to respond to the Commission in writing.
- Senator Spanel responded that the respective caucuses are discussing the issue but that tight budgets and recent initiative make it difficult.

Mr. Hopkins noted that the state's voters amended the Constitution so the Legislature no longer sets its salary. He further stated that it would be useful to the Commission in its deliberations to know the Legislature's intent with respect to teacher and state employee increases.

Mr. Doman asked whether legislative salaries were still out of line or is now in the ballpark.

- Senator Spanel said yes but we still need to attract a mix of people to the Legislature.

Mr. Doman stated that the Commission does not want to go back to the position of being way behind and having to grant large catch-up increases.

Ms. Hornbeck stated that the discussion was very helpful and that she agreed that it is important to attract a mix of candidates.

Mr. Ryan stated that legislators have argued and presented testimony that although the job is defined as part-time, the salary should be increased to be more reflective of a full-time job. He has not heard testimony or evidence to justify doing that.

- Representative Murray responded that he would provide the Commission with information on how the job is changing.

PUBLIC TESTIMONY

- Katie Sprengel, private citizen
 - The elected officials need to give the state employees a raise before they get any more money.

Mr. Ryan – Asked whether Ms. Sprengel knew that the elected officials had gone a long time without an increase when state employees had received increases.

- Ms Sprengel – Did not know that.

WORK SESSION

Chair Byington called for discussion on the testimony from the elected officials.

- Ms. Hornbeck – We've heard testimony that the Commission is obligated by law to set legislative salaries at a level that is competitive and attracts good candidates. She supports an equity adjustment to close the gap between the EMS positions and the legislators. The legislators may not appreciate that but it is necessary to follow the Commission's obligations.
- Ms. Byington – It is important to consider the outside market and moving the legislators to parity

with EMS positions.

- Ms. Hightower – Does not believe that the Commission is supposed to consider economic situations.
- Ms. Hornbeck – The Commission can and should consider economic forecasts.
- Mr. Ryan – A 3% increase for the next two years would be appropriate.
- Mr. Doman – We cannot consider COLAs selectively to one branch and not the others.
- Ms. Byington – When the Commission is ready for a motion, we will address the COLA piece and the catch-up in separate motions.

MOTION BY MR. HOPKINS TO GRANT A 1.5% COLA INCREASE PER YEAR FOR 2005 AND 2006 FOR ALL POSITIONS IN THE EXECUTIVE, LEGISLATIVE AND JUDICIAL BRANCHES OF GOVERNMENT FOR WHICH THE COMMISSION HAS SALARY SETTING AUTHORITY; SECOND BY MR. HOLZMEISTER.

CHAIR BYINGTON CALLED FOR A VOICE VOTE; THE MOTION PASSED UNANIMOUSLY.

- Mr. Carlisle – The Commission should not separate the COLA from the other adjustments. It should not take the position that they should all be the same.
- Mr. Baxter – How the increase is labeled will make a big difference to the public.
- Mr. Hopkins – Is not in favor of a COLA concept but the Commission cannot pay for performance.
- Ms. Alyea – Expressed concern about the salary level of the Legislative Branch compared to the other positions.
- Ms. Byington – Responded that the Executive Branch positions manage and are responsible for large organizations and that the judges gave a good overview of their duties and job requirements. The legislator position is different in its scope of accountability. Also the positions are not full-time.
- Dr. Schwartz – Recommended that the economic forecast be studied before a vote is taken.
- Ms. Byington – Agreed with Dr. Schwartz.

MOTION BY MS. HORNBECK TO NOT MAKE ANY EQUITY ADJUSTMENT PROPOSALS TO THE EXECUTIVE BRANCH SINCE THEY WILL NOT BE TESTIFYING UNTIL THE FEBRUARY MEETING AND SINCE THEY WERE GIVEN AN EQUITY ADJUSTMENT TWO YEARS AGO; SECOND BY MR. CARLISLE.

CHAIR BYINGTON CALLED FOR A VOICE VOTE; THE MOTION PASSED UNANIMOUSLY.

MOTION BY MS. HORNBECK TO MAKE 1% EQUITY ADJUSTMENTS TO THE LEGISLATIVE BRANCH TO MAKE UP FOR THE DISPARITY BETWEEN THESE POSITIONS AND THE EMS POSITIONS EFFECTIVE 9/1/2005 AND 9/1/2006; SECOND BY MR. IRWIN.

CHAIR BYINGTON CALLED FOR A VOICE VOTE; THE MOTION PASSED 12 YES, 2 NO.

YES: ALYEA, BAXTER, BYINGTON, DOMAN, HANSON, HIGHTOWER, HOLZMEISTER, HOPKINS, HORNBECK, IRWIN, SCHWARTZ, WICKS.

NO: CARLISLE, RYAN.

- Mr. Hopkins – Expressed concern about making equity adjustments without enough data. Agrees with 1% each year.
- Mr. Ryan – Would like more discussion on the consultant's report. The bigger issue is whether legislators are appropriately paid.
- Ms. Hornbeck – The concern is that money won't make a difference but over time it will. The Commission needs to keep in mind the EMS comparison.
- Mr. Ryan – Suggested that perhaps a percentage is not the best way to figure a legislative catch—up, maybe a dollar amount would be better.
- Mr. Carlisle – We should focus on the 10 state legislatures. The salary is right where it should be. He opposed the motion.
- Directions to the staff – obtain clarification from Mr. Owen whether the amount presented in his report for the position calculated at 70% of the EMS positions.
- Ms. Hornbeck – Withdrew her motion; 2% is too much. Proposes 1% and a signal that the Commission is looking at equity increases.

MOTION BY MR. HOLZMEISTER TO NOT GRANT EQUITY ADJUSTMENTS TO THE POSITIONS IN THE JUDICIARY AT THIS TIME.

THE JUDICIARY WOULD RECEIVE THE 1.5% IN 2005 AND 2006; SECOND BY MR. RYAN.

CHAIR BYINGTON CALLED FOR A VOICE VOTE; THE MOTION PASSED 9 YES, 5 NO.

YES: BAXTER, DOMAN, HANSON, HIGHTOWER, HOLZMEISTER, HOPKINS, RYAN, SCHWARTZ, WICKS.

NO: ALYEA, BYINGTON, CARLISLE, HORNBECK, IRWIN.

- Mr. Carlisle – The judges did not testify to that effect.
- Ms. Byington – Agreed with Mr. Carlisle.
- Mr. Carlisle – The Commission needs to reach equity with the Federal bench at some point; he opposed the motion.
- Ms. Hightower – The judges are paid pretty well.
- Mr. Hopkins – Agree with the motion but does not believe there has been enough discussion. Favors a proposal similar to that adopted for the Legislative Branch to send a signal to the public that the Commission is considering an equity adjustment.
- Ms. Hornbeck – Is unsure that the Federal bench is an appropriate comparison. Wants to hear more from the court system and, in particular, the Chief Justice.
- Mr. Baxter – Each of the judges that testified agreed with Mr. Owens' study. He would like to move toward the Federal level. Is comfortable with the differential between judicial levels.
- Ms. Hornbeck – Chief Justice Alexander saw it as a competitiveness issue. Good judges are attracted to the private sector.

ADOPTION OF A PROPOSED SALARY SCHEDULE FOR 2005-06

Chair Byington stated that the Commission has salary setting authority for positions in the Executive, Judicial, and Legislative branches of state government. State law requires the Commission to adopt a proposed two-year salary schedule and then to hold no fewer than four public hearings to receive public input on the proposal. The final 2005-06 salary schedule will be adopted at the May 19, 2005 meeting.

The Proposed Salary Schedule for 2005 and 2006 was as follows:

- A 1.5% COLA for all positions in 2005 and 2006.
- An additional 1% increase for legislators in both 2005 and 2006.
- Mr. Hopkins – Asked how many affirmative votes were required to adopt the final salary schedule. The response was 9 affirmative votes were needed.
- Ms. Hornbeck – Inquired how the Commission would follow up on the question relating to the salary for legislators and the EMS; Ms. Sayer will contact the consultant, Mr. Owen.
- Mr. Doman – Expressed concern that the Commission may not have given Representative Murray a clear explanation of the additional information it would like. Ms. Sayer was directed to send a letter to the legislative leaders asking them if they believe the salary proposal should be adjusted. If so, by how much and why.
- Mr. Ryan – Mr. Owen analyzed the legislative positions in the same manner that other state positions are analyzed. If the legislature does not provide more compelling data, he proposes the Commission stay with the proposal adopted for the Legislature for 2005 and 2006.

The meeting was adjourned at 3:00 PM.